

Message Text

UNCLASSIFIED

PAGE 01 NEW DE 11565 261338Z

45

ACTION NEA-10

INFO OCT-01 ISO-00 NEAE-00 SP-02 AID-05 EB-07 NSC-05

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06

LAB-04 SIL-01 PA-02 PRS-01 L-03 H-02 ABF-01 /100 W

----- 079722

P R 261117Z AUG 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC PRIORITY 870

INFO AMCONSUL BOMBAY

AMCONSUL MADRAS

AMCONSUL CALCUTTA

UNCLAS NEW DELHI 11565

PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN IN

SUBJECT: FINANCE MINISTER'S VIEWS PRIOR TO IMF/IBRD MEETINGS

1. IN A PRESS CONFERENCE HELD AUG. 25, FINMIN SUBRAMANIAM SAID THAT RAPID DEPRECIATION OF STERLING AND THE CONSEQUENT EFFECT ON THE RUPEE HAS CAUSED THE FINANCE MINISTRY TO CONSIDER DELINKING THE RUPEE FROM STERLING. THE FEASIBILITY OF LINKING THE RUPEE TO A "BASKET OF FOREIGN CURRENCIES" IS BEING CONSIDERED. SUBRAMANIAM REJECTED THE IDEA OF A LINK TO THE SDR BECAUSE OF ITS CURRENT STRENGTH WHICH WOULD NOT HELP INDIA'S EXPORT EFFORT. HE ALSO DID NOT FAVOR FLOATING THE RUPEE.

2. COMMENTING ON FOREIGN EXCHANGE RESERVES, THE FINMIN SAID "WE ARE KEEPING OUR HEAD ABOVE WATER" AND HE HOPED TO MAINTAIN THIS POSITION DURING THE REST OF THE YEAR (INDIA'S FOREIGN EXCHANGE RESERVES STOOD AT ABOUT DOLS 1.0 BILLION AT THE END OF JUNE). INDIA IS EXPECTED TO PRESS FOR FURTHER RELAXATION

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NEW DE 11565 261338Z

OF RESTRICTIONS ON THE COUNTRIES "MOST AFFECTED" BY THE

OIL CRISIS. HAVING ALREADY MADE USE OF ONE-THIRD OF THEIR ENTITLEMENT OF THE 1975 "OIL FACILITY," SUBRAMANIAM SAID INDIA WOULD SEEK TO BORROW FROM OTHER SOURCES SUCH AS THEIR SECOND CREDIT TRANCHE IN THE FUND, PROVIDED CONDITIONS ATTACHED TO IT WERE RELAXED.

3. IN WASHINGTON, INDIA REPORTEDLY WILL SUPPORT THE PROPOSAL TO RELEASE RESERVE GOLD HOLDINGS FOR SALE AT MARKET PRICES.

4. SUBRAMANIAM ALSO WELCOMED THE DECISION OF THE WORLD BANK TO MAKE FUNDS AVAILABLE FOR INTEGRATED RURAL DEVELOPMENT. THIS WAS AN IDEA, HE NOTED, THAT INDIA HAD BEEN CANVASSING FOR SOME TIME.SAXBE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, MEETINGS, FOREIGN EXCHANGE, RUPEE
Control Number: n/a
Copy: SINGLE
Draft Date: 26 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NEWDE11565
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750295-0078
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750818/aaaaapgd.tel
Line Count: 74
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 02 DEC 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 DEC 2003 by MaustMC>; APPROVED <06 JAN 2004 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FINANCE MINISTER'S VIEWS PRIOR TO IMF/IBRD MEETINGS
TAGS: EFIN, IN, IMF, IBRD, (SUBRAMANIAM, C)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006